

# **United States Department of the Interior Bureau of Land Management**

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**Environmental Assessment DOI-BLM-CO-N040-2015-0023**

## **Cancellation of 17 Federal Oil and Gas Leases in the Roan Plateau Planning Area Garfield County, Colorado**

**January 2015**

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**BLM**

**It is the mission of the Bureau of Land Management to sustain the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations.**

**FONSI**  
**DOI-BLM-CO-N040-2015-0023-EA**

The Environmental Assessment (EA) analyzing the environmental effects of the Proposed Action, consisting of canceling 17 Federal oil and gas leases on BLM lands atop the Roan Plateau, has been reviewed. Review of the direct and indirect effects of the action, including refund by the Federal government of bonus bids and lease rentals paid for the leases, results in a Finding of No Significant Impact (FONSI) on the human environment. Therefore, an Environmental Impact Statement (EIS) is not necessary to analyze further the environmental effects of the Proposed Action.

## DECISION RECORD

**DECISION:** It is my decision to approve the Proposed Action described and analyzed in this EA, consisting of canceling 17 Federal oil and gas leases on BLM lands atop the Roan Plateau.

**RATIONALE:** The bases for this decision are as follows:

1. Approval of the Proposed Action would facilitate the settlement and resolution of protracted litigation associated with BLM's 2008 issuance of 31 Federal oil and gas leases in the Roan Plateau Planning Area, including the 17 leases to be canceled pursuant to this Decision. Further, implementation of the settlement will reduce the potential for future litigation regarding BLM's ongoing planning effort for the Roan Plateau Planning Area.
2. Approval of the Proposed Action does not preclude future management options for the lands within the 31 Federal oil and gas leases issued in 2008. A range of management alternatives is being evaluated separately in a Roan Plateau RMP Amendment and Supplemental Impact Statement (RMPA/SEIS) currently being conducted by the BLM. This Decision does not affect the RMPA/SEIS process or dictate its outcome.
3. No significant impacts were identified in an analysis of indirect socioeconomic impacts of the Proposed Action on the Federal government and the State of Colorado as a consequence of the expected refund of bonus bids and lease rentals associated with the 17 leases to be canceled.

**MITIGATION MEASURES:** To minimize potential adverse impacts to the State of Colorado resulting from the expected reimbursement of its 49% share of the refunded bonus bids and lease rentals, the Federal government and the State may negotiate a schedule for reimbursement through offsets of future Federal mineral revenue disbursements.

**NAME OF PREPARER:** Allen B. Crockett, Supervisory Natural Resource Specialist

**SIGNATURE OF AUTHORIZED OFFICIAL:**

*Acting*   
Deputy State Director for Energy, Lands and Minerals  
Colorado BLM

DATE: 1/16/15

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## **1. INTRODUCTION**

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### **1.1 Identifying Information**

**Project Title:** Cancellation of 17 Federal Oil and Gas Leases in the Roan Plateau Planning Area

**Legal Description:** Garfield County, Sixth PM, Portions of T. 5 N and T. 6 N, R. 94 W and R. 95 W.

**Offices:** BLM Colorado State Office and Colorado River Valley Field Office

**NEPA Log Number:** DOI-BLM-CO-N040-2015-0023-EA

**Lease/Casefile/Project Number:** Federal Oil and Gas Leases COC73066, COC73073, COC73074, COC73075, COC73076, COC73077, COC73078, COC73079, COC73080, COC73081, COC73082, COC73084, COC73086, COC73087, COC73088, COC73089, and COC73090.

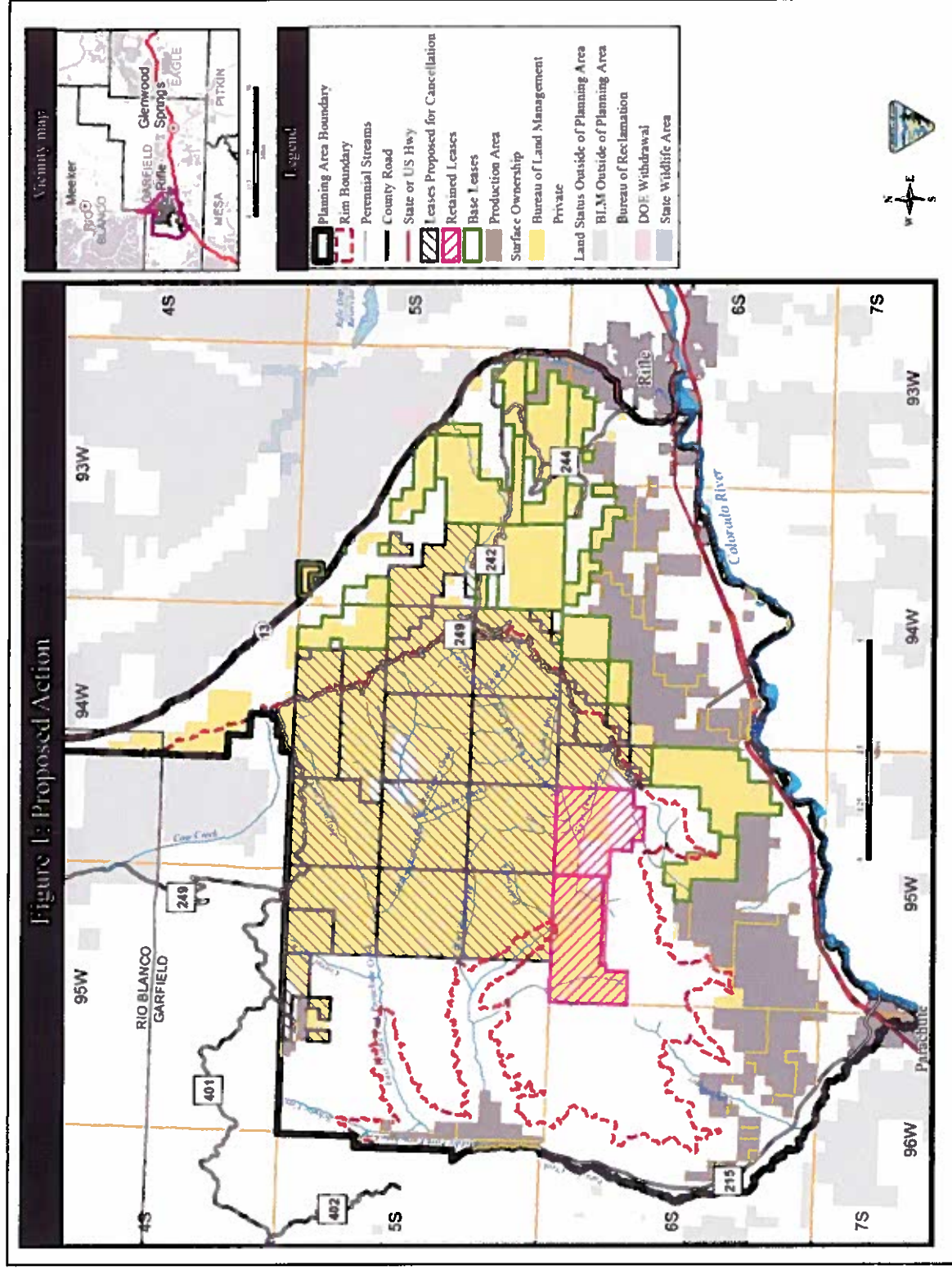
### **1.2 Background**

The BLM is considering cancellation of 17 Federal oil and gas leases underlying the top of the Roan Plateau, a highland located north of Interstate 70 (I-70) northwest of the town of Rifle, Garfield County, Colorado. Cancellation of the 17 leases is expected to result in the refund of bonus bids paid for the leases in the August 2008 lease sale and subsequent lease rentals paid prior to suspension of the leases since November 1, 2009. The lease suspensions were granted by the BLM pending resolution of litigation involving the leases, described later.

The Roan Plateau Planning Area contains a total area of 127,007 acres, including 66,934 acres of Federal surface with underlying Federal minerals, 6,668 acres of private surface with underlying Federal minerals (split-estate lands), and 53,405 acres of private surface with underlying private minerals (fee lands). The 73,602 acres of BLM surface and/or mineral estate lands are located almost entirely within the area of the Colorado River Valley Field Office (CRVFO, formerly the Glenwood Springs Field Office, GSFO), although 320 acres at the northern edge of the planning area lies within the White River Field Office (WRFO).

The 17 Federal leases being considered for cancellation were issued in August 2008 along with two other Federal leases (COC73091 and COC73092) (the “Retained Leases”) on top of the Roan Plateau and 12 additional Federal leases within the planning area but located on lower elevation terrain below and extending away from the Roan Cliffs (the “Base Leases”) (see Figure 1 and Table 1). The 17 leases proposed for cancellation and the two Retained Leases were acquired through a competitive bid by Vantage Energy Piceance LLC (“Vantage”), which subsequently conveyed a 90% interest to Bill Barrett Corporation (“BBC”). The 12 Base Leases were variously acquired by WPX Energy Rocky Mountain LLC (“WPX”), OXY USA, Inc. (“OXY”), and Ursa Piceance, LLC (“Ursa”). Issuance of the 31 leases was authorized by BLM’s June 2007 and March 2008 Records of Decision (RODs) for the Roan Plateau Resource Management Plan Amendment, as described and analyzed in the Roan Plateau Resource Management Plan Amendment and Final Environmental Impact Statement (Roan RMPA/FEIS) dated August 2006.

The 31 Federal leases issued in August 2008 comprise a total area of 44,267 acres. The remainder of the Federal mineral estate in the planning area, totaling 29,335 acres, was previously leased under the 1999 Oil & Gas Leasing & Development RMPA and Final Supplemental EIS (1999 RMPA/FSEIS) (BLM 1999). The previously leased lands are referred to as the Production Area. All of the Production Area





<b>Table 1. Bonus Bids and Lease Rentals Paid to the Federal Government</b>			
<b>Serial Number</b>	<b>Bonus Bid</b>	<b>Rentals</b>	<b>Total</b>
<b>Top of Plateau, 17 Leases Proposed to be Cancelled (BBC/Vantage)</b>			
COC73066	\$1,019,700.00	\$2,781.00	\$1,022,481.00
COC73073	24,000.00	240.00	24,240.00
COC73074	1,111,000.00	3,030.00	1,114,030.00
COC73075	2,019,200.00	3,786.00	2,022,986.00
COC73076	1,508,000.00	3,120.00	1,511,120.00
COC73077	2,240,000.00	3,840.00	2,243,840.00
COC73078	2,304,000.00	3,840.00	2,307,840.00
COC73079	2,684,850.00	3,835.50	2,688,685.50
COC73080	2,542,000.00	3,720.00	2,545,720.00
COC73081	3,136,000.00	3,840.00	3,139,840.00
COC73082	3,200,000.00	3,840.00	3,203,840.00
COC73084	2,042,075.00	2,500.50	2,044,575.50
COC73086	3,978,000.00	2,983.50	3,980,983.50
COC73087	3,649,500.00	2,433.00	3,651,933.00
COC73088	7,168,000.00	3,840.00	7,171,840.00
COC73089	6,784,000.00	3,840.00	6,787,840.00
COC73090	2,169,600.00	2,034.00	2,171,634.00
<b>*Amount Paid, to be Refunded</b>	<b>\$47,579,925.00</b>	<b>\$53,503.50</b>	<b>\$47,633,428.50</b>
<b>Top of Plateau, 2 Leases to be Retained (BBC/Vantage)</b>			
COC73091	4,587,825.00	3,316.50	4,591,141.50
COC73092	4,587,750.00	3,658.50	4,591,408.50
<b>*Amount Paid, Not to be Refunded</b>	<b>\$9,175,575.00</b>	<b>\$6,975.00</b>	<b>\$9,182,550.00</b>
<b>Base Area, 12 Leases to be Retained (WPX, OXY, Ursa)</b>			
COC73064	\$40,664.00	\$897.00	\$41,561.00
COC73065	47,600.00	1,020.00	48,620
COC73067	11,200.00	240.00	11,440
COC73068	1,229,150.00	2,836.50	1,231,986.5
COC73069	196,000.00	840.00	196,840
COC73070	2,687,550.00	3,505.50	2,691,055.5
COC73071	1,463,200.00	2,743.50	1,465,943.5
COC73072	310,050.00	715.50	310,765.50
COC73083	615,000.00	1,537.50	616,537.50
COC73085	15,652,000.00	2,730.00	15,654,730.00
COC73093	8,694,000.00	1,207.50	8,695,207.50
COC73094	25,252,000.00	3,210.00	25,255,210.00
<b>Amount Paid, Not to be Refunded</b>	<b>\$56,198,414.00</b>	<b>\$21,483.00</b>	<b>\$56,219,897.00</b>
<b>Grand Totals</b>	<b>\$113,853,914.00</b>	<b>\$81,961.50</b>	<b>\$113,935,875.50</b>

leases and the 12 Base Leases are located in an area lying generally east, south, and west of a band of cliffs known as the Roan Cliffs. This area is variously described as the base area, the lower plateau, and the area below the cliffs or below the rim.

Subsequent to BLM's issuance of the 2008 leases, a coalition of organizations (the "Coalition") filed a complaint with the U.S. District Court for the District of Colorado (the "Court") alleging that BLM had violated the National Environmental Policy Act (NEPA) and the Federal Land Policy and Management Act (FLPMA) by approving the Roan RMPA, upon which BLM's 2008 lease sale of the 31 leases was based. On June 22, 2012, the Court held that BLM's decision to approve the Roan RMPA violated NEPA, and entered an order vacating that decision and remanding the matter to the BLM for further analysis. BLM initiated preparation of a Supplemental EIS (SEIS) and RMPA to address the Court's remand. As an intervenor-defendant to the litigation, BBC filed a notice of appeal to the U.S. Court of Appeals for the Tenth Circuit on August 21, 2012, and the Coalition filed a cross-appeal on August 31, 2012. Concurrent with the appeal proceedings and BLM's preparation of the SEIS, BLM and the other parties to the litigation have been engaged in settlement negotiations.

On November 19, 2014, the parties executed a Stipulated Settlement Agreement that would resolve the pending litigation and reduce the potential for future litigation. At the parties' request, the court of appeals stayed the proceedings. The parties have agreed to seek dismissal of the pending appeals if certain terms of the Stipulated Settlement Agreement are fulfilled, including the cancellation of the 17 leases under consideration here. The Production Area leases, the 12 Base Leases, and the two Retained Leases on top of the plateau have not been proposed, nor are being considered, for cancellation.

### **1.3 Purpose and Need for Action**

The purpose and need for action is to address a critical element of the Stipulated Settlement Agreement described above (Attachment 1). The Secretary of the Interior has general managerial powers over public lands, including the power to cancel leases administratively if issued in violation of a statute. *Boesche v. Udall*, 373 U.S. 472 (1963). BLM is preparing this EA voluntarily in order to assist it in making the decision whether to cancel the 17 leases. 40 C.F.R. §1501.3(B).

### **1.4 Decision to be Made**

The decision to be made by the BLM upon completing this EA is whether to cancel 17 Federal oil and gas leases on BLM lands on top of the Roan Plateau in accordance with the terms of the Stipulated Settlement Agreement.

Decisions about the long-term management of the Roan Plateau Planning Area are not considered in this EA, as they are being addressed in the Roan Plateau SEIS and RMPA currently being prepared by the BLM. Specifically, this EA does NOT address:

1. Whether the lands within the area of the 17 leases proposed to be cancelled will be closed or open to oil and gas leasing and development.
2. Whether the lands within the area of the two Retained Leases and 12 Base Leases will be closed or open to oil and gas leasing and development.
3. What stipulations will be attached to any oil and gas leases issued or approved in the Roan Plateau Planning Area in the future.

The Roan SEIS/RMPA, expected to be completed in approximately 2 years, will address the impacts of a range of future management alternatives on resources and resource uses, with emphasis on issues

identified by the Court, and resources and uses for which significant new information is available compared to the 2006 Roan RMPA/FEIS.

### **1.5 Land Use Plan Conformance**

The leases proposed for cancellation were issued in 2008 consistent with the land use plan in effect at the time (the 2006 Roan RMPA approved in the 2007 and 2008 RODs). As discussed above, BLM is preparing a new SEIS and RMPA for the Roan Plateau Planning Area consistent with the Court's 2012 decision.

### **1.6 Scoping and Identification of Issues**

The Proposed Action was presented to the BLM Colorado River Valley Field Office (CRVFO) Interdisciplinary (ID) Team of resource specialists on December 8, 2014, for internal scoping and identification of issues. As described to the ID Team, the Proposed Action, if approved, would result in the cancellation of 17 oil and gas leases on top of the Roan Plateau, and the expected refund of bonus bids and rentals paid to the Federal government for the leases.

As the Court remanded the 2007 and 2008 RMPA decisions for the Roan Plateau Planning Area, and BLM has not yet completed the new SEIS and RMPA, it is unknown at this time whether the lands within the area of any of the 2008 leases will be open to oil and gas leasing and development under the new plan, and if so, under what conditions exploration and development may occur. No exploration or development may occur on any of the 2008 Roan leases unless, upon completion of the new SEIS and Roan Plateau RMPA, BLM determines that the lands will be open to oil and gas leasing. As the potential for future oil and gas exploration and development in the Roan Plateau Planning Area depends on the outcome of the new SEIS and RMPA, any resource impacts associated with those activities are too speculative to be quantified at this time.

Approving the Proposed Action to cancel the 17 leases would neither increase nor decrease the amount of Federal mineral estate potentially available to be developed over the long term, nor would it affect the type, location, intensity, duration, and restrictions placed on surface and subsurface activities. These issues, among others, will be addressed in the forthcoming SEIS and RMPA for the Roan Plateau Planning Area.

Based on this information, BLM resource specialists evaluated whether the respective resources and resource uses for which they are responsible would be potential issues for analysis in the EA. Only socioeconomics was identified as potentially impacted by approval of the Proposed Action (cancellation of the 17 leases and the expected refund of bonus bids and lease rentals).

## **2. PROPOSED ACTION AND ALTERNATIVE**

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### **2.1 Proposed Action**

The Proposed Action is cancellation of 17 oil and gas leases on the top of the Roan Plateau.

An expected indirect effect of the Proposed Action is that, upon receipt of a request from the leaseholders, the Federal government would refund the bonus bids and lease rentals paid in connection with the 17 leases. In the Stipulated Settlement Agreement, the leaseholders have agreed not to seek interest on the moneys to be refunded.

The BLM anticipates that the State of Colorado would reimburse the Federal government for the revenues disbursed by the Federal government to the State in connection with the 17 leases (approximately 49% of the total bonus bids and rentals). The precise schedule for that reimbursement by the State is unknown at this time, but for purposes of analysis, the BLM is assuming that reimbursement would occur through offsets of future disbursements to the State from other mineral leases, over a period of up to 3 years. BLM does not have information about the formula that the State may use to allocate future Federal disbursements among local governments.

Long-term management of the Roan Plateau Planning area would be determined by the Roan Plateau SEIS and RMPA currently underway.

### **2.2 No Action Alternative**

Under the No Action Alternative, the BLM would not cancel the 17 leases. The leases would remain in place, but the potential for any future exploration and development would depend on the outcome of the forthcoming SEIS and RMPA for the Roan Plateau Planning Area. Selection of this alternative would preclude implementation of the terms of the Stipulated Settlement Agreement (Attachment 1), including voluntary dismissal of the pending litigation.

Long-term management of the Roan Plateau Planning area would be determined by the Roan Plateau SEIS and RMPA currently underway, as in the Proposed Action.

### **2.3 Alternatives Considered but Not Analyzed in Detail**

No alternatives other than the Proposed Action and No Action Alternative described above were considered, as no other leases were proposed for cancellation under the Stipulated Settlement Agreement.

### **3. AFFECTED ENVIRONMENT AND ENVIRONMENTAL CONSEQUENCES**

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#### **3.1 Resource Use/Issue Statement**

As described in Section 1.6, internal scoping by the BLM concluded that implementing the Proposed Action would have the potential for significant impacts on only one element of the human environment (socioeconomics). Consequently, other resources and resource uses typically addressed in an EA are not considered in Chapters 3 or 4.

#### **3.2 Existing Relevant Socioeconomic Conditions**

For this project, the study area is defined as the State of Colorado, because the Proposed Action has fiscal impacts for both the State and Federal governments. The State of Colorado has experienced economic growth, as measured by the Bureau of Economic Analysis's gross domestic product by state, every year since 2010.

In 2013, the population of the State of Colorado was 5,268,367 with a per capita income of \$46,897; the population of the United States was 316,128,839 with a per capita income of \$44,765 (BEA 2014). The State of Colorado had outlays from the General Fund of approximately \$9.5 billion in Fiscal Year 14-15 (State of Colorado FY15-16 Budget Request), whereas the Federal government had outlays of \$3,454 billion in Fiscal Year 2013 (CBO 2013).

The Oil & Gas sector has been critical in Colorado's recovery from the recent recession. In 2013, the Mining Sector, which includes Oil & Gas exploration, development, and exploitation, contributed \$19.8 billion to the state economy—a 33.8% increase over the sector's 2012 contribution of \$14.8 billion (BEA 2014). In 2013, the Department of Interior's Office of Natural Resources Revenue (ONRR) disbursed a total of \$1,964,029,388.52 in state shares of onshore Federal mineral revenue, of which the State of Colorado received \$129,646,596.60 (ONRR 2013a, 2013b).

To date, the Federal government has received nearly \$114 million for the 31 Federal oil and gas leases issued for lands in the Roan Plateau Planning Area in 2008 (Table 1). As shown in Table 1, more than \$47 million of this total is associated with the 17 leases that would be cancelled under the Proposed Action. The bulk of the payments were in the form of bonus bids at the time of lease sale, while lease rentals were much smaller and were truncated when the leases were suspended by the BLM. Approximately 49% of the bonus bid and lease rental payments for the 17 leases proposed to be cancelled was disbursed by the Federal government to the State of Colorado (see Section 3.3, below).

#### **3.3 Environmental Consequences of the Proposed Action**

In order to analyze the effects of the Proposed Action, this EA assumes that the following process would occur. Additional analysis assumptions necessary for a reasoned analysis are also described. As specified in the Stipulated Settlement Agreement (Attachment 1), the BLM would cancel 17 of the Federal oil and gas leases on the top of the Roan Plateau no later than 60 days after the Effective Date of the Settlement Agreement (November 19, 2014). Canceling the 17 leases would facilitate resolution of the litigation over the Roan Plateau RMPA/FEIS under which the 31 leases were issued in 2008.

Although the Federal government would expect to provide the full refund amount to the potentially affected leaseholders, the State of Colorado's share of the refund likely would be deducted from future disbursements to the State, per 30 U.S.C. § 1721a. Ultimately, approximately 51% of the refund would come from the Federal government, and 49% would be withheld from future Federal mineral revenue payments to the State of Colorado (DoLA 2014). The State of Colorado has acknowledged its

responsibility to reimburse the Federal government for its share of the refund, but the State's formula for allocation of future disbursements among local governments is unknown at this time. BLM therefore cannot speculate about the degree to which any particular local government might be affected by the offset of future Federal mineral revenue disbursements to the State as a result of cancelling the 17 leases.

Using 2013, the most recent full year Federal mineral revenue data, as the basis for analysis, the State of Colorado would receive approximately \$129.6 million per year in Federal mineral revenue from oil and gas leases. Based on this assumed figure (which varies from year to year depending on lease sales, bonus bid amounts, and lease production), the State's share of the refunded amount, approximately 49% or \$23.3 million, would represent approximately 18% of the annual Federal mineral revenue disbursement to the State. The specifics of the amortization schedule, including the period, amount of offsets, and other terms, for the \$23.3 million principle will be determined by the Office of Natural Resource Revenue, in consultation with the State of Colorado, in accordance with applicable law. These factors may affect the impact of the offsets to the State. In comparison to the State of Colorado's Budget Request, the \$23.3 million reimbursement is 0.2% of Colorado's proposed FY 15-16 \$10.3 billion General Fund Request and 0.08% of the State's \$26.8 billion total fund request (Colorado, 2014). Without the knowledge of the period, payments and other terms, it would be too speculative for the BLM to further analyze the potential fiscal impacts to the State of Colorado.

Colorado receives approximately \$10.8 million in Federal mineral revenue disbursements monthly, assuming that the annual total is distributed evenly across 12 months. Based on this figure, and assuming that 100% of future Federal mineral revenue is withheld until Colorado meets the \$23.3 million mark, it would take less than 3 months for Colorado to reimburse the Federal government through offsets against future Federal mineral revenue disbursements. Alternatively, if reimbursement by the State was spread across a longer period of time, up to three years (see 31 C.F.R. § 901.8(a), (b)), the monthly offset would be a smaller percentage (likely less than 10%) of the average monthly Federal disbursements.

Upon receipt of a request for a refund due to cancellation of the leases, the Federal government would refund approximately \$47.6 million to the potentially affected leaseholders (Table 1). As described above, approximately \$23.3 million would be recovered from the State of Colorado via offsets of Federal mineral revenue disbursements. The remainder, the Federal government's share of the refund, or approximately \$24.2 million, would represent 0.0027% of the \$8,648,688,422.06 annual Federal mineral revenue the federal Treasury received in Fiscal Year 2013 (ONRR 2013a).

### **3.4 Cumulative Impacts of the Proposed Action**

Reasonably foreseeable future actions that have the potential for cumulative impacts on the same resource as described above are too speculative to include as part of this analysis. Furthermore, the Federal disbursement of mineral revenues to the states varies from year to year in relation to the number of leases sold, the amount of bonus bids, the price of minerals, and fluctuations in production. Consequently, the cumulative effect of the offsets described above relative to ongoing disbursements to the State of Colorado cannot be predicted with certainty.

### **3.5 Environmental Consequences of the No Action Alternative**

A decision by the BLM not to cancel the 17 leases at issue would prevent the Stipulated Settlement Agreement (Attachment 1) from being implemented. This is expected to result in resumption of the litigation and greater potential for legal challenges to BLM's future management of the Roan Plateau Planning Area, including challenges to the Roan Plateau SEIS and RMPA currently being prepared to guide future management decisions for the area. The BLM would incur legal, operational, and

administrative costs in addressing ongoing litigation, and continued litigation would further delay BLM's implementation of resource management decisions for the Roan Plateau Planning Area.

Because the No Action Alternative would not involve the refund by the Federal government and reimbursement by the State of Colorado described above, the respective budgetary impacts described above would not occur.

#### 4. SUPPORTING INFORMATION

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##### 4.1 Individuals, Tribes, Organizations, or Other Agencies Consulted

No external consultation or coordination was completed for this EA, for three primary reasons. First, the action proposed is limited in scale because long-term management of the Roan Plateau Planning Area is not affected. Second, the State, which would be affected by cancellation of the leases, has expressed support for the settlement, including the lease cancellation, and the potentially affected leaseholders expressed their support by signing the Stipulated Settlement Agreement. Third, no adverse effects were identified that would trigger consultation with the U.S. Fish and Wildlife Service under Section 7 of the Endangered Species Act or with the State Historic Preservation Officer under 54 U.S.C. § 306108 (formerly codified at 16 U.S.C. § 470f and referred to as Section 106 of the National Historic Preservation Act). Likewise, no resources over which local governments or the State may have jurisdiction or special expertise would be affected by the Proposed Action or the No Action Alternative, because all potential resource-related impacts depend on the outcome of the SEIS and RMPA.

##### 4.2 List of Preparers

BLM personnel who participated in the preparation of this EA and their respective areas of responsibility are listed in Table 2.

Table 2. List of Preparers			
<i>Name</i>	<i>Title</i>	<i>Area of Responsibility</i>	<i>Location</i>
Allen B. Crockett, Ph.D.	Supervisory NRS	Project Leader, Technical Review	Colorado River Valley Field Office
Martin E. Hensley	Economist	Socioeconomics	Colorado State Office
Gregory E. Larson	Roan SEIS Project Manager	NEPA and Technical Review	Colorado River Valley Field Office

##### 4.3 References

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ONRR (Office of Natural Resource Revenue). Undated. Summary of ONRR Fiscal Year 2013 Disbursements. Department of the Interior. Available online at [www.onrr.gov/about/pdftdocs/11-13-DOI-SummaryDisbursementsData.pdf](http://www.onrr.gov/about/pdftdocs/11-13-DOI-SummaryDisbursementsData.pdf)

ONRR. Undated. ONRR Statistical Information Page. Department of the Interior. Available online at <http://statistics.onrr.gov/ReportTool.aspx>

**ATTACHMENT 1**

**Stipulated Settlement Agreement**

Nos. 12-1322 & 12-1339

UNITED STATES COURT OF APPEALS  
FOR THE TENTH CIRCUIT

CONSERVATION COLORADO EDUCATION FUND, et al.,  
Plaintiffs-Appellees/Cross-Appellants

SALLY JEWELL, in her official capacity as Secretary of the Department of the Interior, et al.,  
Defendants-Cross-Appellees

BILL BARRETT CORPORATION,  
Intervenor-Appellant/Cross-Appellee, and

OXY USA INC., et al.,  
Intervenors-Cross-Appellees.

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On Appeal from the United States District Court for the District of Colorado  
Civil Action No. 1:08-cv-01460-MSK-KLM  
The Honorable Marcia S. Krieger, District Judge  
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STIPULATED SETTLEMENT AGREEMENT

Plaintiffs-Appellees/Cross-Appellants Conservation Colorado Education Fund, Colorado Mountain Club, Colorado Trout Unlimited, Rocky Mountain Wild, Rock the Earth, Natural Resources Defense Council, National Wildlife Federation, Sierra Club, The Wilderness Society, and Wilderness Workshop (collectively, "Plaintiffs"); Intervenor-Appellant/Cross-Appellee Bill Barrett Corporation ("BBC"); former Defendant-Intervenor, Vantage Energy Piceance LLC ("Vantage"); Intervenors-Cross-Appellees WPX Energy Rocky Mountain, LLC ("WPX"), OXY USA, Inc. ("OXY"), and Ursa Piceance, LLC ("Ursa") (Intervenor-Appellant/Cross-Appellee, former Defendant-Intervenor, and Intervenors-Cross-Appellees collectively, "Defendant-Intervenors" or "Lessees"); and Federal Defendants-Cross-Appellees (collectively, "BLM" or "Federal Defendants") (collectively, the "Parties") hereby enter into this Settlement Agreement for the purpose of settling this lawsuit without further judicial proceedings. The Parties hereby state as follows:

WHEREAS, Vantage originally purchased the leases identified in Paragraph 2 from the United States;

WHEREAS, Vantage sold a ninety percent interest in the leases identified in Paragraph 2 to BBC on June 12, 2009 and retained a ten percent interest in said leases;

WHEREAS, on July 11, 2008, Plaintiffs filed a Complaint for Declaratory and Injunctive Relief against the Federal Defendants alleging that BLM's 2007 Roan Plateau Record of Decision ("2007 ROD") and 2008 Record of Decision ("2008 ROD") approving the Roan Plateau Resource Management Plan Amendment and BLM's decision to offer oil and gas leases in the Roan Plateau Planning Area (the "Planning Area") violated the National Environmental Policy Act ("NEPA") and the Federal Land Policy and Management Act ("FLPMA");

WHEREAS, on June 22, 2012, the United States District Court for the District of Colorado ruled in Plaintiffs' favor on three issues (the "District Court Order");

WHEREAS, BBC has appealed the District Court Order, and Plaintiffs have filed a cross-appeal, both of which are pending in this Court;

WHEREAS, on January 28, 2013, BLM published its Notice of Intent to Prepare a Supplemental Environmental Impact Statement (the "SEIS") and Resource Management Plan Amendment for the Roan Plateau, Colorado (the "RMPA"), which will provide management direction for the Planning Area and amend two existing resource management plans: the Glenwood Springs Field Office Resource Management Plan ("RMP") and the White River Field Office RMP;

WHEREAS, the Parties, through their authorized representatives, and without any admission or adjudication of the issues of fact or law, have reached a settlement resolving the claims in this case;

WHEREAS, the State of Colorado has provided BLM an acknowledgement and acceptance of the fact that, by operation of law as required by 30 U.S.C. § 1721a, it will be required to reimburse the United States for its percentage of the previously disbursed bonus payments and annual rental payments attributable to the leases that will be canceled pursuant to this Settlement Agreement;

THEREFORE, the Parties enter this Settlement Agreement and stipulate and agree as follows:

**A. Effective Date and Stay of Appeal**

1. The Effective Date of this Settlement Agreement is the date on which it is executed by the last party to sign this Settlement Agreement. Within 10 days of the Effective Date of this Settlement Agreement, the Parties will file a joint motion for stay of proceedings in this Court, as set forth in the motion and proposed order attached as Exhibit 1.

**B. Cancellation of Leases and Refund of Bonus Bids and Rentals**

2. The BLM will cancel the following leases pursuant to its authority under 43 C.F.R. 3108.3(d): COC73066, COC73073, COC73074, COC73075, COC73076, COC73077, COC73078, COC73079, COC73080, COC73081, COC73082, COC73084, COC73086,

COC73087, COC73088, COC73089, and COC73090. The BLM will cancel the leases no later than 60 days after the Effective Date of this Settlement Agreement.

3. Upon cancellation of the leases identified in Paragraph 2, BLM shall refund to BBC, pursuant to Section 111A of the Federal Oil and Gas Royalty Simplification and Fairness Act, 30 U.S.C. § 1721a, the bonus payments and annual rental payments attributable to the cancelled leases, on condition that, within 30 calendar days following such cancellation, BBC and Vantage jointly submit to the Office of Natural Resources Revenue a request for a refund pursuant to 30 U.S.C. § 1721a(b)(1). BBC and Vantage explicitly waive any claim of interest pursuant to 30 U.S.C. § 1721(h) for the bonus payments and annual rental payments attributable to the cancellation of the leases identified in Paragraph 2, and agree not to request any refund of interest when making the request for a refund herein contemplated.

4. BBC and Vantage agree that the refund of monies referenced in Paragraph 3 of this Settlement Agreement (hereinafter “refund monies”) shall be made directly to BBC. BBC warrants that no party, other than Vantage, has an interest in the leases identified in Paragraph 2 or is entitled to the refund of monies based on the cancellation of those leases. BBC and Vantage agree not to appeal or otherwise object to the cancellation of the leases described in Paragraph 2 of this Settlement Agreement or make any claim against the United States related to the cancellation of the leases described in Paragraph 2 of this Settlement Agreement. BBC and Vantage agree that BBC shall be solely responsible for providing Vantage with its share of the refund monies. In the event any entities other than BBC and Vantage are determined to have an ownership interest in the leases described in Paragraph 2, BBC agrees to assume sole liability, and will hold the United States harmless, for any monetary claims asserted by those entities.

C. Resource Management Plan Amendment and Supplemental Environmental Impact Statement

5. BLM agrees that, as part of the SEIS being prepared in response to the District Court Order, it will examine in detail an alternative for the RMPA (the “Settlement Alternative”) that includes the following elements:

- a. Making the lands covered by the leases described in Paragraph 2 closed to new leasing;
- b. Making the lands on top of the Roan Plateau that are presently contained within leases COC73091 and COC73092 (“BBC Retained Leases”) open to oil and gas leasing and development, subject to lease notices, stipulations, and standard lease terms and conditions consistent with those for the BBC Retained Leases, except as modified by a new stipulation that incorporates the terms and conditions set forth in Exhibit 2; and
- c. Making the lands at the base of the Roan Plateau that are presently contained within leases COC73064, COC73065, COC73067, COC73068, COC73069, COC73070, COC73071, COC73072, COC73083, COC73085, COC73093, and

COC73094 (collectively, the “Base Leases”) open to oil and gas leasing and development, subject to lease notices, stipulations, and standard lease terms and conditions consistent with those for the Base Leases, except as modified by a new stipulation that incorporates the terms and conditions set forth in Exhibit 3.

6. BLM agrees that the SEIS will address the following:
  - a. Impacts to air quality as required by pages 29-37 of the District Court Order;
  - b. Impacts to greater sage grouse, taking into consideration the analysis in the Environmental Impact Statement for the Northwest Colorado Greater Sage-Grouse Resource Management Plan Amendment, and any resulting decisions;
  - c. The management of lands having wilderness characteristics consistent with BLM Manual 6320, considering the BLM’s most recent inventory of such lands; and
  - d. Other matters as required by applicable law and policy, including consideration of new information or changed circumstances that may result in significantly different environmental effects from those addressed in the 2006 Environmental Impact Statement prepared by the BLM for the Planning Area.

7. BLM agrees that it will make its best effort to complete the final SEIS and issue a Record of Decision within 24 months of the Effective Date of this Settlement Agreement. The BLM will use information from existing NEPA analyses and other materials, as appropriate, consistent with 43 C.F.R. § 46.120 and 40 C.F.R. § 1502.21.

8. BLM agrees that: (a) pursuant to Onshore Oil and Gas Order Number 1, 72 Fed. Reg. 10308 (Mar. 7, 2007), BLM shall post any Application for Permit to Drill (“APD”) or Master Development Plan (“MDP”) submitted on leases described in Paragraphs 5.b. and 5.c. for 30 days prior to approval on BLM’s Colorado River Valley Field Office APD web page; and (b) before authorizing construction of a new well pad (including wells for exploratory drilling), or centralized development or production facility, when the majority of the pad or facility is located within any portion of a Base Lease that is subject to a no surface occupancy/no ground disturbance (“NSO”) stipulation, BLM will prepare a site-specific NEPA analysis of the proposed development.

**D. Dismissal of Case and Agreements Not to Sue**

9. Within 10 days following the cancellation of the leases identified in Paragraph 2, the Parties will jointly move to withdraw all pending motions filed with the U.S. Court of Appeals for the Tenth Circuit and will stipulate, pursuant to Fed. R. App. P. 42, to the voluntary dismissal of all appeals filed in this case, with each Party to bear its own costs, except as provided in Paragraph 16.

10. Plaintiffs agree that if BLM’s final Record of Decision adopts the Settlement Alternative, they will not pursue an administrative protest, petition for state director review,

appeal to the Interior Board of Land Appeals (“IBLA”), or judicial challenge to (1) the Record of Decision for the RMPA, or (2) any approved APD, MDP, geographic area plan, or other plan for oil and gas activities on leases that complies with the applicable requirements of the Settlement Alternative as set forth in Paragraph 5 and Exhibit 2 (for the BBC Retained Leases) or Exhibit 3 (for the Base Leases). Plaintiffs additionally agree to engage as broad a spectrum of the environmental and conservation community as possible not to pursue an administrative protest, petition for state director review, IBLA appeal, or judicial challenge to those decisions.

11. Defendant-Intervenors agree that if BLM’s final Record of Decision adopts the Settlement Alternative, they will not pursue an administrative protest, petition for state director review, appeal to the IBLA, or judicial challenge to the Record of Decision for the RMPA. Defendant-Intervenors further agree not to pursue a petition for state director review, appeal to the IBLA, or judicial challenge to any decision by BLM to modify their leases to include the terms and conditions set forth in Paragraph 5 and Exhibits 2 and 3, or to impose applicable terms and conditions from Paragraph 5 and Exhibits 2 and 3 on the approval of any APD, MDP, geographic area plan, or other plan for oil and gas activities on Defendant-Intervenors’ leases.

12. Plaintiffs and Defendant-Intervenors further agree that they will not fund any other entity or person not a party to this Settlement Agreement to commence an administrative or judicial challenge that would be barred by this Settlement Agreement if brought by Plaintiffs or Defendant-Intervenors.

13. Except as expressly provided in Paragraphs 10-12 and Exhibits 2 and 3, nothing in this Settlement Agreement is intended to limit or waive Plaintiffs’ and Defendant-Intervenors’ rights to challenge: (a) the Record of Decision on remand (including a decision not to adopt the Settlement Alternative); or (b) any BLM decision related to oil and gas activities in the Planning Area (including, but not limited to, preserving Plaintiffs’ right, subject to Paragraphs 10-12 and Exhibits 2 and 3, to challenge the approval of surface disturbing activities at a location identified in a Base Lease as being subject to an NSO stipulation and the grant of any exceptions, modifications or waivers of lease stipulations).

14. The Parties acknowledge that nothing in this Settlement Agreement affects BLM’s discretion to adopt the plan of its choice among the alternatives (or a combination of the alternatives) analyzed in the SEIS.

#### **E. Additional Terms**

15. In the event any of the Parties believes a Party has breached its obligations under this Settlement Agreement, the Party alleging breach shall provide the allegedly breaching Party written notice and a reasonable opportunity to cure the alleged breach. The Parties agree that no Party shall be subject to any claim for money damages as a result of a breach of this Settlement Agreement, except for breaches of Paragraphs 3 and 16. The Parties further agree that the obligations set forth in Paragraphs 5 through 8 are not enforceable through a judicial action for breach of contract or other similar claim, and that any challenge to the sufficiency

of the SEIS, including the BLM's compliance with the obligations set forth in Paragraphs 5 through 8, may be brought only in a separate administrative or judicial action challenging the validity of the Record of Decision under the Administrative Procedure Act ("APA"), 5 U.S.C. §§ 551-559.

16. Each Party will bear its own attorneys' fees, costs and other expenses incurred during the entirety of this case, including those related to negotiation of this Settlement Agreement and prior attempts to reach settlement, except as otherwise outlined herein below:

- a. BLM agrees to settle Plaintiffs' entire claim for any and all attorneys' fees, expenses, and costs by payment in the amount of \$400,000.00.
- b. Plaintiffs agree to accept payment of \$400,000.00 in full satisfaction of any and all claims for attorneys' fees, expenses, and costs of litigation to which they allege they may be entitled in the above-captioned case, including any all claims, demands, rights, and causes of action pursuant to the Equal Access to Justice Act ("EAJA"), or any other statute, provision, or common law theory.
- c. Effective upon Plaintiffs' receipt of payment from Federal Defendants, Plaintiffs herein release the United States, including each named Federal Defendant, from any claims for attorneys' fees, expenses, and costs of litigation in the above-captioned case pursuant to the EAJA, and any other statute, provision, or common law theory, for attorneys' fees, expenses, and costs in the above-captioned case.
- d. Federal Defendants agree to submit all necessary paperwork to the appropriate offices of the federal government within 20 business days after all appeals are dismissed, or Plaintiffs provide the necessary information as required by Paragraph 16.e. to facilitate the payment, whichever is later.
- e. Federal Defendants' payment will be made by electronic funds transfer of the agreed upon settlement amount into the account of Plaintiffs' attorney. Plaintiffs' attorney is receiving funds in trust for Plaintiffs, and Plaintiffs agree to this procedure. Plaintiffs and their attorneys agree to hold harmless Federal Defendants in any litigation, further suit, or claim arising from the payment of the agreed upon settlement amount pursuant to this Paragraph, other than for an allegation of Federal Defendants' breach of Paragraph 16 of this Settlement Agreement. Undersigned Plaintiffs' attorney shall provide all necessary account information to make the electronic funds transfer(s) including, as necessary: (1) Plaintiffs' counsel's tax identification number; (2) payee account name; (3) routing/transit number; (4) account number; (5) type of account; (6) name and address of banking institution; and (7) any other necessary information needed to make the payment, to the undersigned Federal Defendants' counsel. Thereafter, the Federal Defendants shall submit all necessary paperwork as provided in Paragraph 16.d. Undersigned Plaintiffs' counsel agrees to provide confirmation of the receipt of the agreed upon settlement amount to undersigned Federal Defendants' counsel within 14 days.



- f. The Parties agree that Paragraph 16 was negotiated in good faith and it constitutes a settlement of claims for attorneys' fees and costs that were vigorously contested, denied, and disputed by the Parties.

17. This Settlement Agreement was negotiated for the purpose of avoiding further litigation. The Parties agree that this Settlement Agreement has no precedential value and does not represent an admission or waiver by any Party to any fact, claim, or defense relating to any issue in this lawsuit and shall not be admissible as evidence of any fact, claim, or defense in any litigation, other than litigation to enforce the terms of this Settlement Agreement. This Paragraph is not intended to limit or override any specific provisions in this Settlement Agreement.

18. The terms of this Settlement Agreement constitute the entire Settlement Agreement of the Parties, and no statement, agreement, or understanding, whether oral or written, which is not contained herein, shall be recognized or enforced, unless all Parties agree in writing to amend this Settlement Agreement.

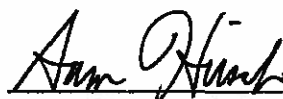
19. Nothing contained in this Settlement Agreement shall be construed as a commitment or requirement that the Federal Defendants obligate or pay funds in contravention of the Anti-deficiency Act, 31 U.S.C. § 1341, or other applicable law.

20. Nothing in the terms of this Settlement Agreement shall be construed to limit or deny the power of the federal government to promulgate or amend regulations.

21. This Settlement Agreement applies to the Parties and upon Plaintiffs' and Intervenor-Defendants' successors, agents, and assignees.

22. The undersigned representatives of the Parties certify that they are authorized by the Parties they represent to execute this Settlement Agreement.

Date Signed: November 19, 2014



Sam Hirsch, Acting Assistant Attorney General  
Environment & Natural Resources Division  
Jason A. Hill, Trial Attorney  
Natural Resources Section  
Brian Toth, Trial Attorney  
Appellate Section

Attorneys for Federal-Defendants/Cross-Appellees

Date Signed: November 19, 2014



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James S. Angell

Attorneys for Plaintiffs-Appellees Cross-Appellants  
Conservation Colorado Education Fund, *et al.*

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Senior Vice President, Government and Regulatory  
Affairs for Intervenor-Appellant/Cross-Appellee.  
Bill Barrett Corporation

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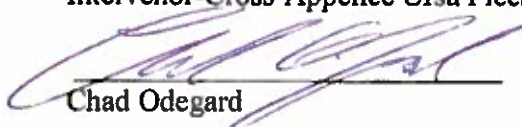
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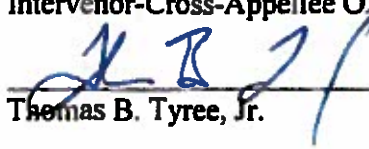
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Defendant-Intervenor, Vantage Energy Piceance  
LLC

# **Exhibit 1**



Case Nos. 12-1322, 12-1339

**IN THE UNITED STATES COURT OF APPEALS  
FOR THE TENTH CIRCUIT**

CONSERVATION COLORADO EDUCATION FUND, *et al.*,  
Plaintiffs – Appellees/Cross-Appellants,

v.

SALLY JEWELL,<sup>1</sup> in her official capacity as  
Secretary of the Interior, *et al.*,  
Federal Defendants – Cross-Appellees,

BILL BARRETT CORPORATION,  
Intervenor – Appellant/Cross-Appellee,

and

OXY USA, INC., *et al.*,  
Intervenors – Cross-Appellees.

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**JOINT MOTION FOR A STAY OF APPELLATE PROCEEDINGS**

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Pursuant to discussions held under Tenth Circuit Rule 33.1, the undersigned have reached a settlement agreement that they expect will eventually result in the dismissal of the appeals with prejudice. The undersigned jointly request that the Court stay the proceedings on

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<sup>1</sup> Sally Jewell was sworn in as the Secretary of the Interior while this appeal was pending and is substituted for her predecessor, Kenneth Salazar, pursuant to Fed. R. App. P. 43(c)(2).

appeal for a period of 75 days while the parties carry out their commitments under that agreement that are necessary before they file their stipulation for voluntary dismissal.

Counsel for intervenors/cross-appellees OXY USA Inc. and WPX Energy Rocky Mountain, LLC and counsel for intervenors/cross-appellees Ursa Piceance LLC have been consulted and do not oppose this motion.

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Attorney for Plaintiffs/Cross-  
Appellants Conservation Colorado  
Education Fund, *et al.*

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Environment & Natural Res. Div.  
P.O. Box 7415  
Washington, D.C. 20044  
(202) 305-0639  
brian.toth@usdoj.gov

Attorney for Federal Defendants/  
Cross-Appellees Sally Jewell,  
*et al.*

Case Nos. 12-1322, 12-1339

**IN THE UNITED STATES COURT OF APPEALS  
FOR THE TENTH CIRCUIT**

CONSERVATION COLORADO EDUCATION FUND, *et al.*,  
Plaintiffs – Appellees/Cross-Appellants,

v.

SALLY JEWELL, in her official capacity as  
Secretary of the Interior, *et al.*,  
Federal Defendants – Cross-Appellees,

BILL BARRETT CORPORATION,  
Intervenor – Appellant/Cross-Appellee,

and

OXY USA, INC., *et al.*,  
Intervenors – Cross-Appellees.

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**PROPOSED ORDER**

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In accordance with 10th Cir. R. 33.1 and upon consideration of the parties' joint motion, and the lack of opposition thereto, the proceedings in this appeal are hereby stayed for a period of 75 days.

Entered for the Court,

ELISABETH A. SHUMAKER,  
Clerk

## **Exhibit 2**

## **EXHIBIT 2**

### **RETAINED LEASES**

Under the Settlement Alternative, the lands contained within the Retained Leases would be open to oil and gas leasing and development, subject to lease notices, stipulations, and standard lease terms and conditions consistent with those for the Retained Leases, except as modified by a new stipulation that includes the following terms and conditions:

A. No more than 7 well pads may be located on the Retained Leases; including pads drilled for either exploration or production activities. Subject to onsite inspection and approval by the Bureau of Land Management ("BLM") and other regulatory agencies, well pads shall be located approximately as depicted in the attached map. Exhibit 2.A.

Each well pad may disturb no more than 10 acres of the surface when drilling operations are occurring, and may be limited to a smaller size if BLM determines 10 acres are not needed for projected drilling operations. Each well pad shall be limited to approximately 3 acres of un-reclaimed surface during production.

There shall be no more than four pads on the Retained Leases at any time that take up more than three acres each of un-reclaimed surface. Those four pads may take up to a total of approximately 40 acres of un-reclaimed surface, with drilling operations occurring on no more than two of the pads at any one time. For purposes of this requirement, surface is considered reclaimed if BLM determines that its interim reclamation requirements have been met.

The Retained Leases are not required to be joined in a federal unit.

B. Primary access shall be limited to designated roads approximately as depicted on the attached map, Exhibit 2.A., subject to BLM's onsite inspection and approval. Operators may not use Cow Creek Road or the Rim Road east of the retained leases for access except in emergencies. For purposes of this requirement, an "emergency" means unforeseeable physical inaccessibility for other routes or an unforeseeable condition creating a significant risk of environmental harm or injury to persons. Limitations on contractual access from the south or west, or foreseeable delays in obtaining access for drilling, site preparation, completion activities, or regularly-scheduled maintenance and other activities, do not represent an emergency. Where an emergency situation exists, access for maintenance of on-going active drilling and completion operations, and service for existing production, is allowed.

C. Pipeline and gathering line infrastructure, water lines, and utility lines, shall be collocated with designated access roads as depicted on the attached map, Exhibit 2.A., subject to BLM's onsite inspection and approval, and may depart from designated access roads if BLM determines that doing so reduces net disturbance or visual impacts. No less than 90 percent of the total pipeline length shall be collocated.

D. Prior to exploration and/or lease development on the Retained Leases, the operator must submit a proposed Master Development Plan ("MDP") identifying projected activity (including well locations, roads, pipelines, facilities and associated infrastructure) and appropriate monitoring and methodologies in conformance with the requirements of the resource management plan as adopted to incorporate the Settlement Alternative.

E. Prior to submitting the MDP, the operator shall consult with the Colorado Division of Parks and Wildlife and BLM to develop terms that minimize impacts to wildlife and other resources. Agreed-upon terms shall be included in the operator's proposed MDP.

F. The following will be required in any approved MDP, and incorporated as conditions of approval for all drilling permits:

- a. Road engineering standards to minimize disturbance associated with road improvements;
- b. Requirements for removing unnecessary infrastructure as soon as feasible;
- c. The required reclamation plan will include reclamation processes that can be reasonably expected to meet the 5 year reclamation standard within 3 growing seasons;
- d. Closed-loop drilling systems and/or tanks shall be used instead of pits, except for pits used solely to store fresh water;
- e. Telemetry for remote monitoring of producing wells;
- f. Wellheads to be subject to appropriate measures for visual impact mitigation;
- g. Conveyance by pipeline of drilling water, water used for hydraulic fracturing and completions, and flowback water, to minimize truck traffic;
- h. Centralized water management during drilling, completion and production (e.g., not every location will have pits);
- i. Recycling of water used during well completions, and recycling of produced water while well completion activities are in progress;
- j. Conveyance by pipeline of produced water and condensate to centralized facilities to minimize truck traffic;
- k. Utilize centralized compression, storage, separation and dehydration facilities;
- l. No more than 3 centralized facilities will be constructed for all centralized management purposes in Paragraphs F.h., F.j. and F.k., and those facilities will be located on three of the potential locations indicated on the attached map, Exhibit 2.A.;

m. Disclosure of all chemicals used during drilling and production activities. Chemicals used during completion activities shall be disclosed pursuant to Colorado Oil and Gas Conservation Commission rules;

n. Tier III equivalent or lower emissions for drill rigs for all wells;

o. Vapor combustors or vapor recovery on all condensate tanks, water tanks and dehydrators, and no/low-bleed control valves on all facilities;

p. Reduced-emission ("green") completions, as defined by 40 C.F.R. § 60.5430; and

q. Utilize liquids lifting practices to limit venting, including plunger lifts or alternative technologies that are at least as effective in limiting venting.

G. Potential conditions of approval identified in the applicable record of decision replace those identified in the 2006 Proposed Resource Management Plan Amendment/Final Environmental Impact Statement and associated records of decision.

# **Exhibit 2A**

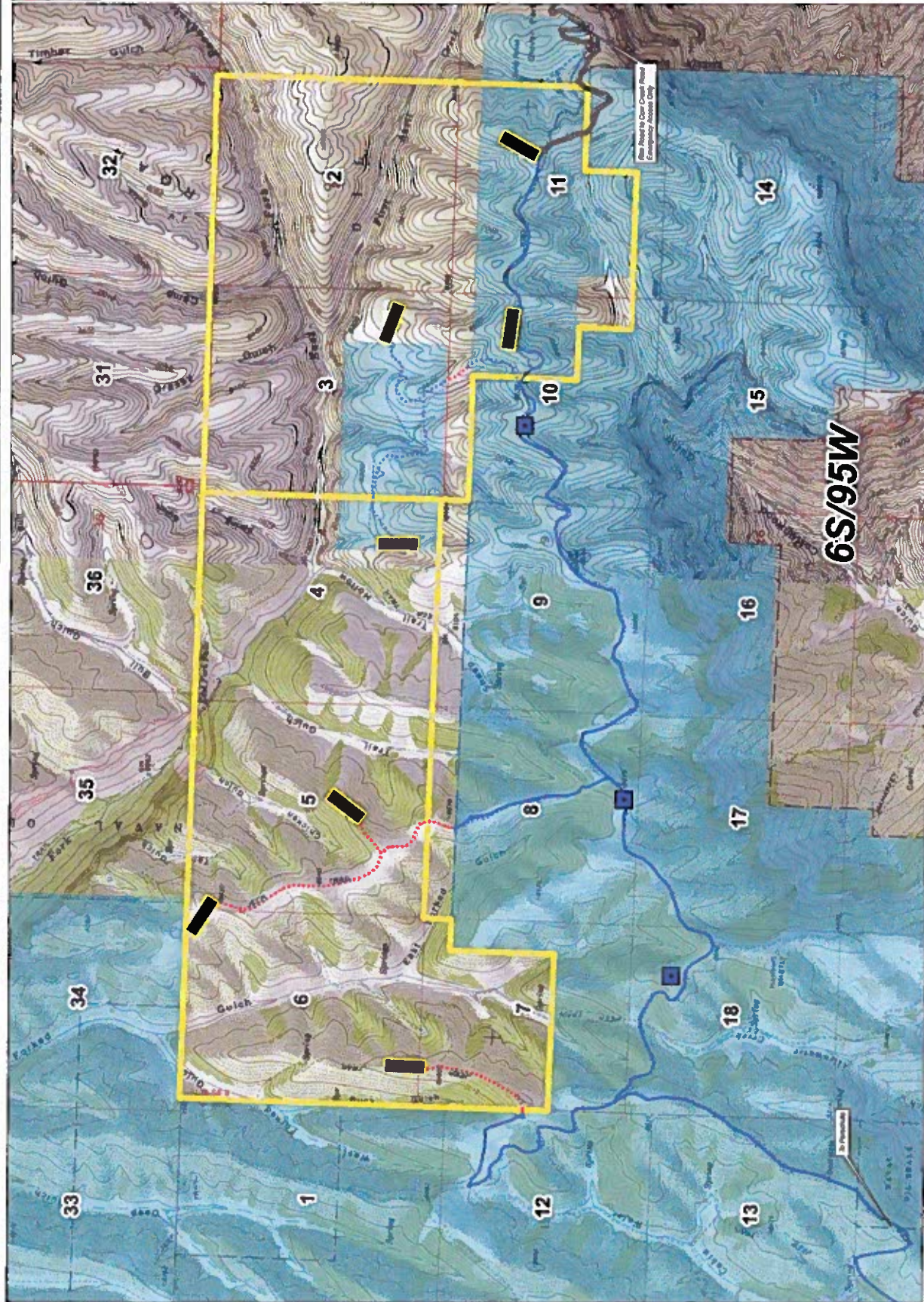




Exhibit 2: Attachment A  
Revised Final Resource  
Development Plan



- Legend**
- Proposed Center Community Facility Location
  - BIB Natural Lands
  - BIB Proposed Wild Pelt
  - Proposed Barrett Access Roads
  - County (2001) Road
  - Upgrade of County Road
  - Private Barrett Access Roads
  - County (2001) Road
  - Upgrade of County Road
  - Proposed Center Community Facility Location
  - Proposed Barrett Access Roads
  - County (2001) Road
  - Upgrade of County Road
  - Proposed Center Community Facility Location
  - Proposed Barrett Access Roads
  - County (2001) Road
  - Upgrade of County Road



# **Exhibit 3**

### **EXHIBIT 3**

#### **BASE LEASES**

Under the Settlement Alternative, the lands contained within the Base Leases would be open to oil and gas leasing and development, subject to lease notices, stipulations, and standard lease terms and conditions consistent with those for the Base Leases, except as modified by a new stipulation that includes the following terms and conditions:

A. Prior to exploration and/or lease development on it Base Leases, an operator shall submit a proposed master development plan ("MDP") identifying its projected activities. Prior to submitting the MDP, an operator shall consult with the Colorado Division of Parks and Wildlife and Bureau of Land Management to develop terms that minimize impacts to wildlife and other resources. Agreed-upon terms shall be included in the operator's MDP.